

## NORTH EAST SCOTLAND AGRICULTURE ADVISORY GROUP

### VIRTUAL SKYPE MEETING

WEDNESDAY, 28 APRIL, 2021

- Present:**
- Aberdeenshire Council** – Provost W Howatson (Chair), Councillors S Duncan, J Hutchison, D Robertson, I Taylor and J Whyte
  - Aberdeen City Council** – Councillor N MacGregor
  - Agriculture and Horticulture Development Board** - P Hughes
  - Agriculture and Rural Economy Directorate** – S Lorimer
  - Angus Council** - Councillors K Braes and B Myles
  - JHI** – Prof D Roberts and Prof K Thomson
  - LANTRA Scotland** – A Baker
  - Moray Council** – Councillor D Bremner
  - NFU Scotland** – C Adam, A Connon, K Gilbert, R Hay, L Paterson and A Simpson
  - Opportunity North East** – N Freckingham
  - Scottish Agricultural Organisation Society** – J Booth
  - Scottish Association of Meat Wholesalers** – M Morgan
  - Scottish Forestry** – J Nott
  - Scottish Land and Estates** – F Van Aardt and D Fyffe
  - Visit Scotland** - J Robinson
- Apologies:**
- Aberdeen City Council** – Cllr Mackenzie
  - Aberdeenshire Council** – Cllr J Ingram
  - Agriculture and Rural Economy Directorate** – J Stuart (substituted by S Lorimer)
  - Bank of Scotland** – P Reid
  - Quality Meat Scotland** - T Gibson
  - RSPB** - H Maggs
  - LANTRA Scotland** – S Howden (A Baker substituting)
  - Scottish Enterprise** – G Ford
- Officers:**
- Aberdeenshire Council** – P Macari, Head of Planning & Economic Development, J Davidson, Environment Planner, J Harrold, Assistant Committee Officer and D McDonald, Industry Support Executive Economic Development

### 1. WELCOME, INTRODUCTIONS AND DECLARATIONS OF INTEREST

The Chair welcomed everyone present to the meeting. Members were asked if they had interests to declare. No declarations of interest were intimated.

### 2. PUBLIC SECTOR EQUALITY DUTY

In taking decisions on the undernoted items of business, the Partnership **agreed**, in terms of Section 149 of the Equality Act 2010:-

(1) to have due regard to the need to:-

- (a) eliminate discrimination, harassment and victimisation;
  - (b) advance equality and opportunity between those who share a protected characteristic and persons who do not share it, and
  - (c) foster good relations between those who share a protected characteristic and persons who do not share it; and
- (2) to consider, where an equality impact assessment had been provided, its contents and to take those into consideration when reaching a decision.

### **3. MINUTE OF MEETING OF 25 NOVEMBER, 2020**

The Minute of Meeting of 25 November, 2020 was **approved** as a correct record.

### **4. MATTERS ARISING**

There were five matters arising. Firstly, the Group visit to Glensaugh Farm will be arranged when Covid-19 restrictions permit. Secondly, contact is still being sought with the UK Food National Strategy Team. Thirdly, the Internal Market Bill will be discussed in Item 10 of this meeting. Fourthly, the update on seed potato exports is covered under Item 6 of this meeting. Finally, the presentations from the last meeting of the Group have been shared and posted on the NESAG webpage as requested.

### **5. PRESENTATION: POST BREXIT REFLECTIONS FROM THE MEAT PROCESSING SECTOR BY MARTIN MORGAN, EXECUTIVE MANAGER, SCOTTISH ASSOCIATION OF MEAT WHOLESALERS (SAMW)**

The Chair introduced Martin Morgan (Executive Manager, Scottish Association of Meat Wholesalers) to the meeting. Mr Morgan explained that Scottish meat exports were estimated to have fallen sharply in the first quarter of 2021, down 25% in January 2021 and significantly below the normal trade flow to Europe. As a result of the UK leaving the single market, EU trade has been much more challenging, and it was suggested the fall in trade will be irreversible unless protocols change. However, despite reduced exports, beef and lamb prices are currently at record high levels, which has been attributed to 'shop local' campaigns. In advance of the UK leaving the single market, international customers had been stockpiling in November and December 2020, which also contributed to a reduced export trade in January 2021. Volumes partially recovered in February 2021 but have remain low. Non-EU export volumes have outperformed the five-year average but are worth only 1% of the total meat export market. Checks on EU meat imports have been pushed back until 2022 and it was suggested that the degree of scrutiny at the UK border is likely to be less than at the EU border (1% of shipments checked in UK compared to 15% at the EU Border). Members **noted** the presentation. After a question-and-answer session, the Chair thanked Mr Morgan for his detailed and highly informative presentation.

## **6. PRESENTATION: SEED POTATO EXPORTS: PAST, PRESENT & FUTURE BY PATRICK HUGHES, HEAD OF POTATO EXPORT TRADE, AGRICULTURE & HORTICULTURE DEVELOPMENT BOARD (AHDB)**

The Chair introduced Patrick Hughes (Head of Potato Export Trade, AHDB) to the meeting. Mr Hughes explained that the UK potato industry requires 400,000 tonnes of seed per annum while a further 100,000 tonnes is grown in the UK to service the export market, which is mainly destined for non-EU locations. Most UK seed is grown in Scotland. Around 30,000 tonnes pa of potato seed is imported into the UK, mainly due to price or varietal choice. Scottish seed potatoes are much sought-after abroad due to their high health status. The UK's main competitors for high-quality seed potatoes are The Netherlands and France. Egypt is Scotland's biggest export market, taking 52% of all seed potato exports in 2020/2021. In December 2020, the EU gave notice that it would not grant regulatory equivalence to GB for the import or marketing of seed potatoes, which effectively ceased the export trade to the EU and Northern Ireland with effect from 1 January 2021. A DEFRA appeal was dismissed by the EU. The importation of seed from the EU to the UK will cease on 1 July 2021 unless DEFRA intervenes. More positively, there are plans to identify a technical solution to resolve the impasse and restore reciprocal trade between the UK and EU. New market opportunities are being explored as part of a sector specific growth strategy now under development which also addresses regulatory and technical challenges and a fall in the number of UK seed growers. Members **noted** the presentation. After answering questions, the Chair thanked Mr Hughes for his insightful presentation.

## **7. PRESENTATION: UPDATE ON SEEDPOD BY NEIL FRECKINGHAM, FOOD HUB DIRECTOR, OPPORTUNITY NORTH EAST (ONE)**

The Chair introduced Neil Freckingham (Food Hub Director) to the meeting. He advised SeedPod is a £21M investment in the food and drink industry to create a centre of excellence for food manufacturing and production in NE Scotland. Led by ONE, SeedPod has secured £10M capital funding provided jointly by the UK and Scottish Governments via the Aberdeen City Region Deal (ACRD), a partnership between both governments, ONE, Aberdeenshire Council and Aberdeen City Council. ONE has itself committed funding of £4.4M to SeedPod. SRUC is a strategic delivery partner and is providing the site for the new facility (at Craibstone) which will comprise business incubator units, a new product development kitchen, display showcasing and a creative collaboration space for those within the food sector to meet, share and develop ideas. Work currently underway includes the lease agreement for the site with SRUC, planning permission and contractor selection. Members **noted** the presentation and following a question-and-answer session, the Chair thanked Mr Freckingham for his inspirational contribution to the meeting and asked if he would be willing to update members at a future meeting

**Action Point 1: SeedPod progress update at a future meeting**

## **8. REPORT: NESAAG PARTNERSHIP REVIEW**

The NESAAG Partnership Review Report had been circulated to members, in which it was explained that partnerships involving Aberdeenshire Council must undertake periodic reviews to ensure they continue to fulfil their purpose, as stated in their

Terms of Reference. Since the establishment of NESAAAG over 20 years ago, the group had broadened geographically (to include Angus Council) and also sectorally: the number of organisations joining the group continues to grow (VisitScotland, Lantra and the Bank of Scotland most recently). The review presented an opportunity for members to propose changes to the remit and membership of the Group. Following an open discussion in which members expressed their general satisfaction with NESAAAG's current remit and how it operates, it was suggested that extending the membership to include young people/young farmers along with strengthened food and drink industry representation would be beneficial (specifically the Food and Drink Federation), following which members **approved** the report and the Chair thanked the Group for their input.

**Action Point 2: Scottish Association of Young Farmers Clubs to be approached as potential members**

**Action Point 3: Food and Drink Federation to be approached as potential members**

## **9. REPORT: RURAL FORUM PROPOSAL**

A report had been circulated to members which referred to the NESAAAG study published in 2008, which recommended that Rural Forum events should be held once every two years to enable members and guest speakers to provide brief presentations across a wide range of land-based sectors (typically ten presentations of fifteen-minute duration). While such events have been held regularly since 2010, the Rural Forum provisionally scheduled for 2020 did not go ahead due to the pandemic. The report asked members for their views on when the next event should go ahead and their preferred format (virtual – or wait until a face-to-face meeting may be possible). Following discussion, the general consensus was for the Rural Forum to go ahead at the November meeting of the Group, and for it be held virtually (by Teams).

**Action Point 4: Rural Forum to be organised for November meeting of NESAAAG**

## **10. BULLETIN: UK INTERNAL MARKET ACT 2020**

A bulletin relating to the UK Internal Market Act 2020 had been circulated to members, in response to the request at the November 2020 meeting for an update after the Brexit process had been completed. The Act became law on 17 December 2020 and embeds two key market access principles: namely mutual recognition and non-discrimination across the UK. The Act also provides for the creation of the Office for the Internal Market (OIM). While Devolved Administrations in the UK will still be able to regulate goods and services in their own area under the Act, their standards may not be enforceable to manufacturers and service providers elsewhere in the UK.

The Act also empowers UK Government to create a UK-wide State Aid scheme and to disburse directly structural funds across the UK (EU funds were generally distributed by Devolved Administrations). Members **noted** the bulletin.

## **11. A.O.C.B.**

The Chair noted that Professor Ken Thomson had intimated that he would be stepping down from NESAAAG. As a founder-member, Prof Thomson's contribution to the group had been exceptional, in particular to the various studies published by NESAAAG over the previous 20 years. Prof Thomson rarely missed group meetings and was a highly respected contributor to debate and discussion. On behalf of the group, the Chair thanked Prof Thomson for his exemplary contribution to NESAAAG and wished him well for the future.

## **12. DATE OF NEXT MEETING**

The next meeting of NESAAAG is due to take place at 10am on Wednesday 15 September 2021. This meeting will be held virtually, unless otherwise stated.

### **Action Points**

- 1: SeedPod progress update at a future meeting**
- 2: Scottish Association of Young Farmers Clubs to be approached as potential members**
- 3: Food and Drink Federation to be approached as potential members**
- 4: Rural Forum to be organised for November meeting of NESAAAG**